



General Assembly

January Session, 2023

Raised Bill No. 6751

LCO No. 4656



Referred to Committee on BANKING

Introduced by:
(BA)

AN ACT CONCERNING THE ASSIGNMENT OF TAX LIENS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-195h of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2023*):

3 (a) Any municipality, by resolution of its legislative body, as defined
4 in section 1-1, may assign, for consideration, any and all liens filed by
5 the tax collector to secure unpaid taxes on real property as provided
6 under the provisions of this chapter. The consideration received by the
7 municipality shall be negotiated between the municipality and the
8 assignee.

9 (b) The assignee or assignees of such liens shall have and possess the
10 same powers and rights at law or in equity that such municipality and
11 municipality's tax collector would have had if the lien had not been
12 assigned with regard to the precedence and priority of such lien, the
13 accrual of interest and the fees and expenses of collection and of
14 preparing and recording the assignment, except that (1) for assignments
15 executed on or after July 1, 2024, commencing on the date of the

16 assignment, interest shall accrue on the delinquent portion of the
17 principal of the assigned tax obligation at the rate of twelve per cent per
18 annum, and (2) any such assignee [(1)] (A) shall not be insulated from
19 liability for its conduct by virtue of the provisions of section 42-110c, and
20 [(2)] (B) shall be obligated to provide a payoff statement, as defined in
21 section 49-8a, in the same manner as a mortgagee in accordance with the
22 requirements of section 49-10a. The assignee shall have the same rights
23 to enforce such liens as any private party holding a lien on real property
24 including, but not limited to, foreclosure and a suit on the debt.

25 (c) (1) No such assignment executed on or after July 1, 2022, shall be
26 valid or enforceable unless memorialized in a contract executed by the
27 municipality and the assignee that is in writing and provides: [(1)] (A)
28 The manner in which the assignee will provide to the owner of the real
29 property that is the subject of the assignment one or more addresses and
30 telephone numbers that may be used for correspondence with the
31 assignee about the debt and payment thereof; [(2)] (B) the earliest and
32 latest dates by which the assignee shall commence any foreclosure or
33 suit on the debt or the manner for determining such dates, except as may
34 be impacted by any payment arrangement, bankruptcy petition or other
35 circumstance, provided in no event shall the assignee commence a
36 foreclosure suit before one year has elapsed since the assignee's
37 purchase of the lien; [(3)] (C) the structure and rates of attorney's fees
38 that the assignee may claim against the owner or owners of such real
39 property in any foreclosure, suit on the debt or otherwise, and a
40 prohibition from using as foreclosure counsel any attorney or law office
41 that is owned by, employs or contracts with any person having an
42 interest in such assignee; [(4)] (D) confirmation that the owner of the real
43 property for which the lien has been filed shall be a third-party
44 beneficiary entitled to enforce the covenants and responsibilities of the
45 assignee as contained in the contract; [(5)] (E) a prohibition on the
46 assignee assigning the lien without the municipality's prior written
47 consent; [(6)] (F) the detail and frequency of reports provided to the
48 municipality's tax collector regarding the status of the assigned liens;
49 [(7)] (G) confirmation that the assignee is not ineligible, pursuant to

50 section 31-57b, to be assigned the lien because of occupational safety and
51 health law violations; [(8)] (H) disclosure of [(A)] (i) all resolved and
52 pending arbitrations and litigation matters in which the assignee or any
53 of its principals have been involved within the last ten years, except
54 foreclosure actions involving liens purchased from or assigned by
55 governmental entities, [(B)] (ii) all criminal proceedings that the
56 assignee or any of its principals has ever been the subject, [(C)] (iii) any
57 interest in the subject property held by the assignee or any of its
58 principals, officers or agents, and [(D)] (iv) each instance in which the
59 assignee or any of its principals was found to have violated any state or
60 local ethics law, regulation, ordinance, code, policy or standard, or to
61 have committed any other offense arising out of the submission of
62 proposals or bids or the performance of work on public contract; and
63 [(9)] (I) such additional terms to which the municipality and the assignee
64 mutually agree, consistent with applicable law.

65 (2) No such assignment executed on or after July 1, 2024, shall be valid
66 or enforceable unless memorialized in a contract executed by the
67 municipality and the assignee that is in writing and includes a
68 requirement that no attorney's fees shall be received, claimed or
69 collected until the commencement of foreclosure or suit on the debt.

70 (d) The assignee, or any subsequent assignee, shall provide written
71 notice of an assignment, not later than sixty days after the date of such
72 assignment, to the owner and any holder of a mortgage, on the real
73 property that is the subject of the assignment, provided such owner or
74 holder is of record as of the date of such assignment. Such notice shall
75 include information sufficient to identify (1) the property that is subject
76 to the lien and in which the holder has an interest, (2) the name and
77 addresses of the assignee, and (3) the amount of unpaid taxes, interest
78 and fees being assigned relative to the subject property as of the date of
79 the assignment.

80 (e) Not less than sixty days prior to commencing an action to foreclose
81 a lien under this section, the assignee shall provide a written notice, by
82 first-class mail, to the holders of all first or second security interests on

83 the property subject to the lien that were recorded before the date the
84 assessment the lien sought to be enforced became delinquent. Such
85 notice shall set forth: (1) The amount of unpaid debt owed to the
86 assignee as of the date of the notice; (2) the amount of any attorney's fees
87 and costs incurred by the assignee in the enforcement of the lien as of
88 the date of the notice; (3) a statement of the assignee's intention to
89 foreclose the lien if the amounts set forth pursuant to subdivisions (1)
90 and (2) of this subsection are not paid to the assignee on or before sixty
91 days after the date the notice is provided; (4) the assignee's contact
92 information, including, but not limited to, the assignee's name, mailing
93 address, telephone number and electronic mail address, if any; and (5)
94 instructions concerning the acceptable means of making a payment on
95 the amounts owed to the assignee as set forth pursuant to subdivisions
96 (1) and (2) of this subsection. Any notice required under this subsection
97 shall be effective upon the date such notice is provided.

98 (f) When providing the written notice required under subsection (e)
99 of this section, the assignee may rely on the last recorded security
100 interest of record in identifying the name and mailing address of the
101 holder of such interest, unless the holder of such interest is the plaintiff
102 in an action pending in Superior Court to enforce such interest, in which
103 case the assignee shall provide the written notice to the attorney
104 appearing on behalf of the plaintiff.

105 (g) Each aspect of a foreclosure, sale or other disposition under this
106 section, including, but not limited to, the costs, attorney fees, method,
107 advertising, time, date, place and terms, shall be commercially
108 reasonable, and for actions commenced on or after July 1, 2024, such
109 attorney's fees shall not exceed fifteen per cent of the amount of any
110 judgment that is entered.

111 Sec. 2. Section 7-254 of the general statutes is repealed and the
112 following is substituted in lieu thereof (*Effective October 1, 2023*):

113 (a) Any assessment of benefits or any installment thereof, not paid
114 within thirty days after the due date, shall be delinquent and shall be

115 subject to interest from such due date at the interest rate and in the
116 manner provided by the general statutes for delinquent property taxes.
117 Each addition of interest shall be collectible as a part of such assessment.

118 (b) Whenever any installment of an assessment becomes delinquent,
119 the interest on such delinquent installment shall be as provided in
120 subsection (a) of this section or five dollars, whichever is greater. Any
121 unpaid assessment and any interest due thereon shall constitute a lien
122 upon the real estate against which the assessment was levied from the
123 date of such levy. Each such lien may be continued, recorded and
124 released in the manner provided by the general statutes for continuing,
125 recording and releasing property tax liens. Each such lien shall take
126 precedence over all other liens and encumbrances except taxes and may
127 be enforced in the same manner as property tax liens. The tax collector
128 of the municipality may collect such assessments in accordance with any
129 mandatory provision of the general statutes for the collection of
130 property taxes and the municipality may recover any such assessment
131 in a civil action against any person liable therefor.

132 (c) Any municipality, by resolution of its legislative body, may assign,
133 for consideration, any and all liens filed by the tax collector to secure
134 unpaid sewer assessments as provided under the provisions of this
135 chapter. The consideration received by the municipality shall be
136 negotiated between the municipality and the assignee.

137 (d) The assignee or assignees of such liens shall have and possess the
138 same powers and rights at law or in equity as such municipality and
139 municipality's tax collector would have had if the lien had not been
140 assigned with regard to the precedence and priority of such lien, the
141 accrual of interest and the fees and expenses of collection, except that
142 any such assignee (1) shall not be insulated from liability by virtue of
143 the provisions of section 42-110c, and (2) shall be obligated to provide a
144 payoff statement, as defined in section 49-8a, in the same manner as a
145 mortgagee in accordance with the requirements of section 49-10a. The
146 assignee shall have the same rights to enforce such liens as any private
147 party holding a lien on real property, including, but not limited to,

148 foreclosure and a suit on the debt.

149 (e) (1) No such assignment executed on or after July 1, 2022, shall be
150 valid or enforceable unless memorialized in a contract executed by the
151 authority and the assignee that is in writing and provides: [(1)] (A) The
152 manner in which the assignee will provide to the owner of the real
153 property that is the subject of the assignment one or more addresses and
154 telephone numbers that may be used for correspondence with the
155 assignee about the debt and payment thereof; [(2)] (B) the earliest and
156 latest dates by which the assignee shall commence any foreclosure or
157 suit on the debt or the manner for determining such dates, except as may
158 be impacted by any payment arrangement, bankruptcy petition or other
159 circumstance, provided in no event shall the assignee commence a
160 foreclosure suit before one year has elapsed since the assignee's
161 purchase of the lien; [(3)] (C) the structure and rates of attorney's fees
162 that the assignee may claim against the owner or owners of such real
163 property in any foreclosure, suit on the debt or otherwise, and a
164 prohibition from using as foreclosure counsel any attorney or law office
165 that is owned by, employs or contracts with any person having an
166 interest in such assignee; [(4)] (D) confirmation that the owner of the real
167 property for which the lien has been filed shall be a third-party
168 beneficiary entitled to enforce the covenants and responsibilities of the
169 assignee as contained in the contract; [(5)] (E) a prohibition on the
170 assignee assigning the lien without the municipality's prior written
171 consent; [(6)] (F) the detail and frequency of reports provided to the
172 municipality's tax collector regarding the status of the assigned liens;
173 [(7)] (G) confirmation that the assignee is not ineligible, pursuant to
174 section 31-57b, to be assigned the lien because of occupational safety and
175 health law violations; [(8)] (H) disclosure of [(A)] (i) all resolved and
176 pending arbitrations and litigation matters in which the assignee or any
177 of its principals have been involved within the last ten years, except
178 foreclosure actions involving liens purchased from or assigned by
179 governmental entities, [(B)] (ii) all criminal proceedings that the
180 assignee or any of its principals has ever been the subject, [(C)] (iii) any
181 interest in the subject property held by the assignee or any of its

182 principals, officers or agents, and [(D)] (iv) each instance in which the
183 assignee or any of its principals was found to have violated any state or
184 local ethics law, regulation, ordinance, code, policy or standard, or to
185 have committed any other offense arising out of the submission of
186 proposals or bids or the performance of work on public contract; and
187 [(9)] (I) such additional terms to which the municipality and the assignee
188 mutually agree, consistent with applicable law.

189 (2) No such assignment executed on or after July 1, 2024, shall be valid
190 or enforceable unless memorialized in a contract executed by the
191 authority and the assignee that is in writing and includes a requirement
192 that no attorney's fees shall be received, claimed or collected until the
193 commencement of foreclosure or suit on the debt.

194 (f) The assignee, or any subsequent assignee, shall provide written
195 notice of an assignment, not later than sixty days after the date of such
196 assignment, to the owner and any holder of a mortgage on the real
197 property that is the subject of the assignment, provided such owner or
198 holder is of record as of the date of such assignment. Such notice shall
199 include information sufficient to identify (1) the property that is subject
200 to the lien and in which the holder has an interest, (2) the name and
201 addresses of the assignee, and (3) the amount of unpaid taxes, interest
202 and fees being assigned relative to the subject property as of the date of
203 the assignment.

204 (g) Not less than sixty days prior to commencing an action to
205 foreclose a lien under this section, the assignee shall provide a written
206 notice, by first-class mail, to the holders of all first or second security
207 interests on the property subject to the lien that were recorded before
208 the date the assessment of the lien sought to be enforced became
209 delinquent. Such notice shall set forth: (1) The amount of unpaid debt
210 owed to the assignee as of the date of the notice; (2) the amount of any
211 attorney's fees and costs incurred by the assignee in the enforcement of
212 the lien as of the date of the notice; (3) a statement of the assignee's
213 intention to foreclose the lien if the amounts set forth pursuant to
214 subdivisions (1) and (2) of this subsection are not paid to the assignee

215 on or before sixty days after the date on which the notice is provided;
216 (4) the assignee's contact information, including, but not limited to, the
217 assignee's name, mailing address, telephone number and electronic mail
218 address, if any; and (5) instructions concerning the acceptable means of
219 making a payment on the amounts owed to the assignee as set forth
220 pursuant to subdivisions (1) and (2) of this subsection. Any notice
221 required under this subsection shall be effective upon the date such
222 notice is provided.

223 (h) When providing the written notice required under subsection (g)
224 of this section, the assignee may rely on the last recorded security
225 interest of record in identifying the name and mailing address of the
226 holder of such interest, unless the holder of such interest is the plaintiff
227 in an action pending in Superior Court to enforce such interest, in which
228 case the assignee shall provide the written notice to the attorney
229 appearing on behalf of the plaintiff.

230 (i) Each aspect of a foreclosure, sale or other disposition under this
231 section, including, but not limited to, the costs, attorney fees, method,
232 advertising, time, date, place and terms, shall be commercially
233 reasonable, and for actions commenced on or after July 1, 2024, such
234 attorney's fees shall not exceed fifteen per cent of the amount of any
235 judgment that is entered.

236 Sec. 3. Section 7-258 of the general statutes is repealed and the
237 following is substituted in lieu thereof (*Effective October 1, 2023*):

238 (a) Any charge for connection with or for the use of a sewerage
239 system, not paid within thirty days of the due date, shall thereupon be
240 delinquent and shall bear interest from the due date at the rate and in
241 the manner provided by the general statutes for delinquent property
242 taxes. Each addition of interest shall be collectible as a part of such
243 connection or use charge. Any such unpaid connection or use charge
244 shall constitute a lien upon the real estate against which such charge was
245 levied from the date it became delinquent. Each such lien may be
246 continued, recorded and released in the manner provided by the general

247 statutes for continuing, recording and releasing property tax liens. Each
248 such lien shall take precedence over all other liens and encumbrances
249 except taxes and may be foreclosed in the same manner as a lien for
250 property taxes. The municipality may by ordinance designate the tax
251 collector or any other person as collector of sewerage system connection
252 and use charges and such collector of sewerage system connection and
253 use charges may collect such charges in accordance with the provisions
254 of the general statutes for the collection of property taxes. The
255 municipality may recover any such charges in a civil action against any
256 person liable therefor. For the purpose of establishing or revising such
257 connection or use charges and for the purpose of collecting such charges
258 any municipality may enter into agreements with any water company
259 or municipal water department furnishing water in such municipality
260 for the purchase from such water company or municipal water
261 department of information or services and such agreement may
262 designate such water company or municipal water department as a
263 billing or collecting agent of the collector of sewerage system connection
264 and use charges in the municipality. Any water company or municipal
265 water department may enter into and fulfill any such agreements and
266 may utilize for the collection of such charges any of the methods utilized
267 by it for the collection of its water charges.

268 (b) Any municipality, by resolution of its legislative body, may
269 assign, for consideration, any and all liens filed by the tax collector or
270 collector of sewerage system connection and use charges to secure
271 unpaid sewerage connection and use charges as provided under the
272 provisions of this chapter. The consideration received by the
273 municipality shall be negotiated between the municipality and the
274 assignee.

275 (c) The assignee or assignees of such liens shall have and possess the
276 same powers and rights at law or in equity as such municipality and
277 municipality's tax collector would have had if the lien had not been
278 assigned with regard to the precedence and priority of such lien, the
279 accrual of interest and the fees and expenses of collection, except that
280 any such assignee (1) shall not be insulated from liability for its conduct

281 by virtue of the provisions of section 42-110c, and (2) shall be obligated
282 to provide a payoff statement, as defined in section 49-8a, in the same
283 manner as a mortgagee in accordance with the requirements of section
284 49-10a. The assignee shall have the same rights to enforce such liens as
285 any private party holding a lien on real property, including, but not
286 limited to, foreclosure and a suit on the debt.

287 (d) (1) No such assignment executed on or after July 1, 2022, shall be
288 valid or enforceable unless memorialized in a contract executed by the
289 authority and the assignee that is in writing and provides: [(1)] (A) The
290 manner in which the assignee will provide to the owner of the real
291 property that is the subject of the assignment one or more addresses and
292 telephone numbers that may be used for correspondence with the
293 assignee about the debt and payment thereof; [(2)] (B) the earliest and
294 latest dates by which the assignee shall commence any foreclosure or
295 suit on the debt or the manner for determining such dates, except as may
296 be impacted by any payment arrangement, bankruptcy petition or other
297 circumstance, provided in no event shall the assignee commence a
298 foreclosure suit before one year has elapsed since the assignee's
299 purchase of the lien; [(3)] (C) the structure and rates of attorney's fees
300 that the assignee may claim against the owner or owners of such real
301 property in any foreclosure, suit on the debt or otherwise, and a
302 prohibition from using as foreclosure counsel any attorney or law office
303 that is owned by, employs or contracts with any person having an
304 interest in such assignee; [(4)] (D) confirmation that the owner of the real
305 property for which the lien has been filed shall be a third-party
306 beneficiary entitled to enforce the covenants and responsibilities of the
307 assignee as contained in the contract; [(5)] (E) a prohibition on the
308 assignee assigning the lien without the municipality's prior written
309 consent; [(6)] (F) the detail and frequency of reports provided to the
310 municipality's tax collector regarding the status of the assigned liens;
311 [(7)] (G) confirmation that the assignee is not ineligible, pursuant to
312 section 31-57b, to be assigned the lien because of occupational safety and
313 health law violations; [(8)] (H) disclosure of [(A)] (i) all resolved and
314 pending arbitrations and litigation matters in which the assignee or any

315 of its principals have been involved within the last ten years, except
316 foreclosure actions involving liens purchased from or assigned by
317 governmental entities, [(B)] (ii) all criminal proceedings that the
318 assignee or any of its principals has ever been the subject, [(C)] (iii) any
319 interest in the subject property held by the assignee or any of its
320 principals, officers or agents, and [(D)] (iv) each instance in which the
321 assignee or any of its principals was found to have violated any state or
322 local ethics law, regulation, ordinance, code, policy or standard, or to
323 have committed any other offense arising out of the submission of
324 proposals or bids or the performance of work on public contract; and
325 [(9)] (I) such additional terms to which the municipality and the assignee
326 mutually agree consistent with applicable law.

327 (2) No such assignment executed on or after July 1, 2024, shall be valid
328 or enforceable unless memorialized in a contract executed by the
329 authority and the assignee that is in writing and includes a requirement
330 that no attorney's fees shall be received, claimed or collected until the
331 commencement of foreclosure or suit on the debt.

332 (e) The assignee, or any subsequent assignee, shall provide written
333 notice of an assignment, not later than sixty days after the date of such
334 assignment, to the owner and any holder of a mortgage on the real
335 property that is the subject of the assignment, provided such owner or
336 holder is of record as of the date of such assignment. Such notice shall
337 include information sufficient to identify (1) the property that is subject
338 to the lien and in which the holder has an interest, (2) the name and
339 addresses of the assignee, and (3) the amount of unpaid taxes, interest
340 and fees being assigned relative to the subject property as of the date of
341 the assignment.

342 (f) Not less than sixty days prior to commencing an action to foreclose
343 a lien under this section, the assignee shall provide a written notice, by
344 first-class mail, to the holders of all first or second security interests on
345 the property subject to the lien that were recorded before the date the
346 assessment of the lien sought to be enforced became delinquent. Such
347 notice shall set forth: (1) The amount of unpaid debt owed to the

348 assignee as of the date of the notice; (2) the amount of any attorney's fees
349 and costs incurred by the assignee in the enforcement of the lien as of
350 the date of the notice; (3) a statement of the assignee's intention to
351 foreclose the lien if the amounts set forth pursuant to subdivisions (1)
352 and (2) of this subsection are not paid to the assignee on or before sixty
353 days after the date the notice is provided; (4) the assignee's contact
354 information, including, but not limited to, the assignee's name, mailing
355 address, telephone number and electronic mail address, if any; and (5)
356 instructions concerning the acceptable means of making a payment on
357 the amounts owed to the assignee as set forth pursuant to subdivisions
358 (1) and (2) of this subsection. Any notice required under this subsection
359 shall be effective upon the date such notice is provided.

360 (g) When providing the written notice required under subsection (f)
361 of this section, the assignee may rely on the last recorded security
362 interest of record in identifying the name and mailing address of the
363 holder of such interest, unless the holder of such interest is the plaintiff
364 in an action pending in Superior Court to enforce such interest, in which
365 case the assignee shall provide the written notice to the attorney
366 appearing on behalf of the plaintiff.

367 (h) Each aspect of a foreclosure, sale or other disposition under this
368 section, including, but not limited to, the costs, attorney fees, method,
369 advertising, time, date, place and terms, shall be commercially
370 reasonable, and for actions commenced on or after July 1, 2024, such
371 attorney's fees shall not exceed fifteen per cent of the amount of any
372 judgment that is entered.

373 Sec. 4. Section 7-239 of the general statutes is repealed and the
374 following is substituted in lieu thereof (*Effective October 1, 2023*):

375 (a) The legislative body shall establish just and equitable rates or
376 charges for the use of the waterworks system authorized in this
377 subsection, to be paid by the owner of each lot or building which is
378 connected with and uses such system, and may change such rates or
379 charges from time to time. Such rates or charges shall be sufficient in

380 each year for the payment of the expense of operation, repair,
381 replacements and maintenance of such system and for the payment of
382 the sums in this subsection required to be paid into the sinking fund. In
383 establishing such rates or charges, the legislative body shall consider
384 measures that promote water conservation and reduce the demand on
385 the state's water and energy resources. Such rates or charges may
386 include: (1) Demand projections that recognize the effects of
387 conservation, (2) implementation of metering and measures to provide
388 timely price signals to consumers, (3) multiyear rate plans, (4) measures
389 to reduce system water losses, and (5) alternative rate designs that
390 promote conservation. No such rate or charge shall be established until
391 after a public hearing at which all the users of the waterworks system
392 and the owners of property served or to be served and others interested
393 shall have an opportunity to be heard concerning such proposed rate or
394 charge. Notice of such hearing shall be given, at least ten days before the
395 date set therefor, in a newspaper having a circulation in such
396 municipality. Such notice shall set forth a schedule of rates or charges,
397 and a copy of the schedule of rates or charges established shall be kept
398 on file in the office of the legislative body and in the office of the clerk
399 of the municipality, and shall be open to inspection by the public. The
400 rates or charges so established for any class of users or property served
401 shall be extended to cover any additional premises thereafter served
402 which are within the same class, without the necessity of a hearing
403 thereon. Any change in such rates or charges may be made in the same
404 manner in which they were established, provided, if any change is made
405 substantially pro rata as to all classes of service, no hearing shall be
406 required. The provisions of this section shall not apply to the sale of
407 bottled water.

408 (b) If any rates or charges established pursuant to this section are not
409 paid within thirty days after the due date, demand for such rates or
410 charges may be made on the owner of the premises served in the manner
411 provided in subsection (a) of section 12-155, and thereafter an alias tax
412 warrant may be issued in the manner provided in sections 12-135 and
413 12-162. The rates or charges established pursuant to this section, if not

414 paid when due, shall constitute a lien upon the premises served and a
415 charge against the owner thereof, which lien and charge shall bear
416 interest at the same rate as would unpaid taxes. Such a lien not released
417 of record prior to October 1, 1993, shall not continue for more than two
418 years unless the superintendent of the waterworks system has filed a
419 certificate of continuation of the lien in the manner provided under
420 section 12-174 for the continuance of tax liens, and when so continued
421 shall be valid for fifteen years. A lien described in this section shall take
422 precedence over all other liens or encumbrances except taxes and may
423 be foreclosed against the lot or building served in the same manner as a
424 lien for taxes.

425 (c) Any municipality, by resolution of its legislative body, may assign,
426 for consideration, any and all liens filed by the superintendent of the
427 waterworks system or tax collector to secure unpaid water charges as
428 provided under the provisions of this chapter. The consideration
429 received by the municipality shall be negotiated between the
430 municipality and the assignee.

431 (d) The assignee or assignees of such liens shall have and possess the
432 same powers and rights at law or in equity as such municipality and
433 municipality's tax collector would have had if the lien had not been
434 assigned with regard to the precedence and priority of such lien, the
435 accrual of interest and the fees and expenses of collection, except that
436 any such assignee (1) shall not be insulated from liability for its conduct
437 by virtue of the provisions of section 42-110c, and (2) any such assignee
438 shall be obligated to provide a payoff statement, as defined in section
439 49-8a, in the same manner as a mortgagee in accordance with the
440 requirements of section 49-10a. The assignee shall have the same rights
441 to enforce such liens as any private party holding a lien on real property,
442 including, but not limited to, foreclosure and a suit on the debt.

443 (e) (1) No such assignment executed on or after July 1, 2022, shall be
444 valid or enforceable unless memorialized in a contract executed by the
445 authority and the assignee that is in writing and provides: [(1)] (A) The
446 manner in which the assignee will provide to the owner of the real

447 property that is the subject of the assignment one or more addresses and
448 telephone numbers that may be used for correspondence with the
449 assignee about the debt and payment thereof; [(2)] (B) the earliest and
450 latest dates by which the assignee shall commence any foreclosure or
451 suit on the debt or the manner for determining such dates, except as may
452 be impacted by any payment arrangement, bankruptcy petition or other
453 circumstance, provided in no event shall the assignee commence a
454 foreclosure suit before one year has elapsed since the assignee's
455 purchase of the lien; [(3)] (C) the structure and rates of attorney's fees
456 that the assignee may claim against the owner or owners of such real
457 property in any foreclosure, suit on the debt or otherwise, and a
458 prohibition from using as foreclosure counsel any attorney or law office
459 that is owned by, employs or contracts with any person having an
460 interest in such assignee; [(4)] (D) confirmation that the owner of the real
461 property for which the lien has been filed shall be a third-party
462 beneficiary entitled to enforce the covenants and responsibilities of the
463 assignee as contained in the contract; [(5)] (E) a prohibition on the
464 assignee assigning the lien without the municipality's prior written
465 consent; [(6)] (F) the detail and frequency of reports provided to the
466 municipality's tax collector regarding the status of the assigned liens;
467 [(7)] (G) confirmation that the assignee is not ineligible, pursuant to
468 section 31-57b, to be assigned the lien because of occupational safety and
469 health law violations; [(8)] (H) disclosure of [(A)] (i) all resolved and
470 pending arbitrations and litigation matters in which the assignee or any
471 of its principals have been involved within the last ten years, except
472 foreclosure actions involving liens purchased from or assigned by
473 governmental entities, [(B)] (ii) all criminal proceedings that the
474 assignee or any of its principals has ever been the subject, [(C)] (iii) any
475 interest in the subject property held by the assignee or any of its
476 principals, officers or agents, and [(D)] (iv) each instance in which the
477 assignee or any of its principals was found to have violated any state or
478 local ethics law, regulation, ordinance, code, policy or standard, or to
479 have committed any other offense arising out of the submission of
480 proposals or bids or the performance of work on public contract; and
481 [(9)] (I) such additional terms to which the municipality and the assignee

482 mutually agree consistent with applicable law.

483 (2) No such assignment executed on or after July 1, 2024, shall be valid
484 or enforceable unless memorialized in a contract executed by the
485 authority and the assignee that is in writing and includes a requirement
486 that no attorney's fees shall be received, claimed or collected until the
487 commencement of foreclosure or suit on the debt.

488 (f) The assignee, or any subsequent assignee, shall provide written
489 notice of an assignment, not later than sixty days after the date of such
490 assignment, to the owner and any holder of a mortgage on the real
491 property that is the subject of the assignment, provided such owner or
492 holder is of record as of the date of such assignment. Such notice shall
493 include information sufficient to identify (1) the property that is subject
494 to the lien and in which the holder has an interest, (2) the name and
495 addresses of the assignee, and (3) the amount of unpaid taxes, interest
496 and fees being assigned relative to the subject property as of the date of
497 the assignment.

498 (g) Not less than sixty days prior to commencing an action to
499 foreclose a lien under this section, the assignee shall provide a written
500 notice, by first-class mail, to the holders of all first or second security
501 interests on the property subject to the lien that were recorded before
502 the date the assessment of the lien sought to be enforced became
503 delinquent. Such notice shall set forth: (1) The amount of unpaid debt
504 owed to the assignee as of the date of the notice; (2) the amount of any
505 attorney's fees and costs incurred by the assignee in the enforcement of
506 the lien as of the date of the notice; (3) a statement of the assignee's
507 intention to foreclose the lien if the amounts set forth pursuant to
508 subdivisions (1) and (2) of this subsection are not paid to the assignee
509 on or before sixty days after the date the notice is provided; (4) the
510 assignee's contact information, including, but not limited to, the
511 assignee's name, mailing address, telephone number and electronic mail
512 address, if any; and (5) instructions concerning the acceptable means of
513 making a payment on the amounts owed to the assignee as set forth
514 pursuant to subdivisions (1) and (2) of this subsection. Any notice

515 required under this subsection shall be effective upon the date such
516 notice is provided.

517 (h) When providing the written notice required under subsection (g)
518 of this section, the assignee may rely on the last recorded security
519 interest of record in identifying the name and mailing address of the
520 holder of such interest, unless the holder of such interest is the plaintiff
521 in an action pending in Superior Court to enforce such interest, in which
522 case the assignee shall provide the written notice to the attorney
523 appearing on behalf of the plaintiff.

524 (i) Each aspect of a foreclosure, sale or other disposition under this
525 section, including, but not limited to, the costs, attorney fees, method,
526 advertising, time, date, place and terms, shall be commercially
527 reasonable, and for actions commenced on or after July 1, 2024, such
528 attorney's fees shall not exceed fifteen per cent of the amount of any
529 judgment that is entered. Costs and reasonable attorneys' fees incurred
530 by the assignee as a result of any foreclosure action or other legal
531 proceeding brought pursuant to this section and directly related to the
532 proceeding shall be taxed in any such proceeding against each person
533 having title to any property subject to the proceedings. Such costs [and
534 fees] may be collected by the assignee at any time after demand for
535 payment has been made by the assignee.

536 (j) The amount of any such rate or charge which remains due and
537 unpaid for thirty days may, with reasonable attorneys' fees, be
538 recovered by the legislative body in a civil action in the name of the
539 municipality against such owners. For actions commenced on or after
540 July 1, 2024, such attorney's fees shall not exceed fifteen per cent of the
541 amount of any judgment that is entered. The municipality shall be
542 subject to the same rates or charges under the same conditions as other
543 users of such waterworks system.

544 Sec. 5. Section 49-92p of the general statutes is repealed and the
545 following is substituted in lieu thereof (*Effective October 1, 2023*):

546 (a) Any regional water authority established under an act of the

547 General Assembly, may assign, for consideration, any and all liens filed
548 by such regional water authority to secure unpaid water assessments or
549 connection or use charges of the authority. The consideration received
550 by the authority shall be negotiated between the authority and the
551 assignee.

552 (b) The assignee or assignees of such liens shall have and possess the
553 same powers and rights at law or in equity as such authority would have
554 had if the lien had not been assigned with regard to the precedence and
555 priority of such lien, the accrual of interest and the fees and expenses of
556 collection, except that such assignee (1) shall not be insulated from
557 liability for its conduct by virtue of the provisions of section 42-110c, and
558 (2) shall be obligated to provide a payoff statement, as defined in section
559 49-8a, in the same manner as a mortgagee in accordance with the
560 requirements of section 49-10a. The assignee shall have the same rights
561 to enforce such liens as any private party holding a lien on real property,
562 including, but not limited to, foreclosure and a suit on the debt.

563 (c) (1) No such assignment executed on or after July 1, 2022, shall be
564 valid or enforceable unless memorialized in a contract executed by the
565 authority and the assignee that is in writing and provides: [(1)] (A) The
566 manner in which the assignee will provide to the owner of the real
567 property that is the subject of the assignment one or more addresses and
568 telephone numbers that may be used for correspondence with the
569 assignee about the debt and payment thereof; [(2)] (B) the earliest and
570 latest dates by which the assignee shall commence any foreclosure or
571 suit on the debt or the manner for determining such dates, except as may
572 be impacted by any payment arrangement, bankruptcy petition or other
573 circumstance, provided in no event shall the assignee commence a
574 foreclosure suit before one year has elapsed since the assignee's
575 purchase of the lien; [(3)] (C) the structure and rates of attorney's fees
576 that the assignee may claim against the owner or owners of such real
577 property in any foreclosure, suit on the debt or otherwise, and a
578 prohibition from using as foreclosure counsel any attorney or law office
579 that is owned by, employs or contracts [having] with any person [with]
580 having an interest in such assignee; [(4)] (D) confirmation that the owner

581 of the real property for which the lien has been filed shall be a third-
 582 party beneficiary entitled to enforce the covenants and responsibilities
 583 of the assignee as contained in the contract; [(5)] (E) a prohibition on the
 584 assignee assigning the lien without the municipality's prior written
 585 consent; [(6)] (F) the detail and frequency of reports provided to the
 586 municipality's tax collector regarding the status of the assigned liens;
 587 [(7)] (G) confirmation that the assignee is not ineligible, pursuant to
 588 section 31-57b, to be assigned the lien because of occupational safety and
 589 health law violations; [(8)] (H) disclosure of [(A)] (i) all resolved and
 590 pending arbitrations and litigation matters in which the assignee or any
 591 of its principals have been involved within the last ten years, except
 592 foreclosure actions involving liens purchased from or assigned by
 593 governmental entities, [(B)] (ii) all criminal proceedings that the
 594 assignee or any of its principals has ever been the subject, [(C)] (iii) any
 595 interest in the subject property held by the assignee or any of its
 596 principals, officers or agents, and [(D)] (iv) each instance in which the
 597 assignee or any of its principals was found to have violated any state or
 598 local ethics law, regulation, ordinance, code, policy or standard, or to
 599 have committed any other offense arising out of the submission of
 600 proposals or bids or the performance of work on public contract; and
 601 [(9)] (I) such additional terms to which the municipality and the assignee
 602 mutually agree consistent with applicable law.

603 (2) No such assignment executed on or after July 1, 2024, shall be valid
 604 or enforceable unless memorialized in a contract executed by the
 605 authority and the assignee that is in writing and includes a requirement
 606 that no attorney's fees shall be received, claimed or collected until the
 607 commencement of foreclosure or suit on the debt.

608 (d) The assignee, or any subsequent assignee, shall provide written
 609 notice of an assignment, not later than sixty days after the date of such
 610 assignment, to the owner and any holder of a mortgage on the real
 611 property that is the subject of the assignment, provided such owner or
 612 holder is of record as of the date of such assignment. Such notice shall
 613 include information sufficient to identify (1) the property that is subject
 614 to the lien and in which the holder has an interest, (2) the name and

615 addresses of the assignee, and (3) the amount of unpaid taxes, interest
616 and fees being assigned relative to the subject property as of the date of
617 the assignment.

618 (e) Not less than sixty days prior to commencing an action to foreclose
619 a lien under this section, the assignee shall provide a written notice, by
620 first-class mail to the holders of all first or second security interests on
621 the property subject to the lien that were recorded before the date the
622 assessment of the lien sought to be enforced became delinquent. Such
623 notice shall set forth: (1) The amount of unpaid debt owed to the
624 assignee as of the date of the notice; (2) the amount of any attorney's fees
625 and costs incurred by the assignee in the enforcement of the lien as of
626 the date of the notice; (3) a statement of the assignee's intention to
627 foreclose the lien if the amounts set forth pursuant to subdivisions (1)
628 and (2) of this subsection are not paid to the assignee on or before sixty
629 days after the date the notice is provided; (4) the assignee's contact
630 information, including, but not limited to, the assignee's name, mailing
631 address, telephone number and electronic mail address, if any; and (5)
632 instructions concerning the acceptable means of making a payment on
633 the amounts owed to the assignee as set forth pursuant to subdivisions
634 (1) and (2) of this subsection. Any notice required under this subsection
635 shall be effective upon the date such notice is provided.

636 (f) When providing the written notice required under subsection (e)
637 of this section, the assignee may rely on the last recorded security
638 interest of record in identifying the name and mailing address of the
639 holder of such interest, unless the holder of such interest is the plaintiff
640 in an action pending in Superior Court to enforce such interest, in which
641 case the assignee shall provide the written notice to the attorney
642 appearing on behalf of the plaintiff.

643 (g) Each aspect of a foreclosure, sale or other disposition under this
644 section, including, but not limited to, the costs, attorney fees, method,
645 advertising, time, date, place and terms, shall be commercially
646 reasonable, and for actions commenced on or after July 1, 2024, such
647 attorney's fees shall not exceed fifteen per cent of the amount of any

648 judgment that is entered. Costs and reasonable attorneys' fees incurred
649 by the assignee as a result of any foreclosure action or other legal
650 proceeding brought pursuant to this section and directly related to the
651 proceeding shall be taxed in any such proceeding against each person
652 having title to any property subject to the proceedings. Such costs [and
653 fees] may be collected by the assignee at any time after demand for
654 payment has been made by the assignee.

655 Sec. 6. Section 49-92o of the general statutes is repealed and the
656 following is substituted in lieu thereof (*Effective October 1, 2023*):

657 (a) Any regional sewer authority established under an act of the
658 General Assembly, may assign, for consideration, any and all liens filed
659 by such regional sewer authority to secure unpaid sewer assessments or
660 connection or use charges of the authority. The consideration received
661 by the authority shall be negotiated between the authority and the
662 assignee.

663 (b) The assignee or assignees of such liens shall have and possess the
664 same powers and rights at law or in equity as such authority would have
665 had if the lien had not been assigned with regard to the precedence and
666 priority of such lien, the accrual of interest and the fees and expenses of
667 collection, except that any such assignee (1) shall not be insulated from
668 liability by section 42-110c, and (2) shall be obligated to provide a payoff
669 statement, as defined in section 49-8a, in the same manner as a
670 mortgagee in accordance with the requirements of section 49-10a. The
671 assignee shall have the same rights to enforce such liens as any private
672 party holding a lien on real property, including, but not limited to,
673 foreclosure and a suit on the debt.

674 (c) (1) No such assignment executed on or after July 1, 2022, shall be
675 valid or enforceable unless memorialized in a contract executed by the
676 authority and the assignee that is in writing and provides: [(1)] (A) The
677 manner in which the assignee will provide to the owner of the real
678 property that is the subject of the assignment one or more addresses and
679 telephone numbers that may be used for correspondence with the

680 assignee about the debt and payment thereof; [(2)] (B) the earliest and
681 latest dates by which the assignee shall commence any foreclosure or
682 suit on the debt or the manner for determining such dates, except as may
683 be impacted by any payment arrangement, bankruptcy petition or other
684 circumstance, provided in no event shall the assignee commence a
685 foreclosure suit before one year has elapsed since the assignee's
686 purchase of the lien; [(3)] (C) the structure and rates of attorney's fees
687 that the assignee may claim against the owner or owners of such real
688 property in any foreclosure, suit on the debt or otherwise, and a
689 prohibition from using as foreclosure counsel any attorney or law office
690 that is owned by, employs or contracts with any person having an
691 interest in such assignee; [(4)] (D) confirmation that the owner of the real
692 property for which the lien has been filed shall be a third-party
693 beneficiary entitled to enforce the covenants and responsibilities of the
694 assignee as contained in the contract; [(5)] (E) a prohibition on the
695 assignee assigning the lien without the municipality's prior written
696 consent; [(6)] (F) the detail and frequency of reports provided to the
697 municipality's tax collector regarding the status of the assigned liens;
698 [(7)] (G) confirmation that the assignee is not ineligible, pursuant to
699 section 31-57b, to be assigned the lien because of occupational safety and
700 health law violations; [(8)] (H) disclosure of [(A)] (i) all resolved and
701 pending arbitrations and litigation matters in which the assignee or any
702 of its principals have been involved within the last ten years, except
703 foreclosure actions involving liens purchased from or assigned by
704 governmental entities, [(B)] (ii) all criminal proceedings that the
705 assignee or any of its principals has ever been the subject, [(C)] (iii) any
706 interest in the subject property held by the assignee or any of its
707 principals, officers or agents, and [(D)] (iv) each instance in which the
708 assignee or any of its principals was found to have violated any state or
709 local ethics law, regulation, ordinance, code, policy or standard, or to
710 have committed any other offense arising out of the submission of
711 proposals or bids or the performance of work on public contract; and
712 [(9)] (I) such additional terms to which the municipality and the assignee
713 mutually agree consistent with applicable law.

714 (2) No such assignment executed on or after July 1, 2024, shall be valid
715 or enforceable unless memorialized in a contract executed by the
716 authority and the assignee that is in writing and includes a requirement
717 that no attorney's fees shall be received, claimed or collected until the
718 commencement of foreclosure or suit on the debt.

719 (d) The assignee, or any subsequent assignee, shall provide written
720 notice of an assignment, not later than sixty days after the date of such
721 assignment, to the owner and any holder of a mortgage on the real
722 property that is the subject of the assignment, provided such owner or
723 holder is of record as of the date of such assignment. Such notice shall
724 include information sufficient to identify (1) the property that is subject
725 to the lien and in which the holder has an interest, (2) the name and
726 addresses of the assignee, and (3) the amount of unpaid taxes, interest
727 and fees being assigned relative to the subject property as of the date of
728 the assignment.

729 (e) Not less than sixty days prior to commencing an action to foreclose
730 a lien assigned under this section, the assignee shall provide a written
731 notice, by first-class mail to the holders of all first or second security
732 interests on the property subject to the lien that were recorded before
733 the date the assessment of such lien became delinquent. Such notice
734 shall set forth: (1) The amount of unpaid debt owed to the assignee as of
735 the date of the notice; (2) the amount of any attorney's fees and costs
736 incurred by the assignee in the enforcement of the lien as of the date of
737 the notice; (3) a statement of the assignee's intention to foreclose the lien
738 if the amounts set forth pursuant to subdivisions (1) and (2) of this
739 subsection are not paid to the assignee on or before sixty days after the
740 date the notice is provided; (4) the assignee's contact information,
741 including, but not limited to, the assignee's name, mailing address,
742 telephone number and electronic mail address, if any; and (5)
743 instructions concerning the acceptable means of making a payment on
744 the amounts owed to the assignee as set forth pursuant to subdivisions
745 (1) and (2) of this subsection. Any notice required under this subsection
746 shall be effective upon the date such notice is provided.

747 (f) When providing the written notice required under subsection (e)
748 of this section, the assignee may rely on the last recorded security
749 interest of record in identifying the name and mailing address of the
750 holder of such interest, unless the holder of such interest is the plaintiff
751 in an action pending in Superior Court to enforce such interest, in which
752 case the assignee shall provide the written notice to the attorney
753 appearing on behalf of the plaintiff.

754 (g) Each aspect of a foreclosure, sale or other disposition under this
755 section, including, but not limited to, the costs, attorney fees, method,
756 advertising, time, date, place and terms, shall be commercially
757 reasonable, and for actions commenced on or after July 1, 2024, such
758 attorney's fees shall not exceed fifteen per cent of the amount of any
759 judgment that is entered. Costs and reasonable attorneys' fees incurred
760 by the assignee as a result of any foreclosure action or other legal
761 proceeding brought pursuant to this section and directly related to the
762 proceeding shall be taxed in any such proceeding against each person
763 having title to any property subject to the proceedings. Such costs [and
764 fees] may be collected by the assignee at any time after demand for
765 payment has been made by the assignee.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2023	12-195h
Sec. 2	October 1, 2023	7-254
Sec. 3	October 1, 2023	7-258
Sec. 4	October 1, 2023	7-239
Sec. 5	October 1, 2023	49-92p
Sec. 6	October 1, 2023	49-92o

Statement of Purpose:

To (1) reduce the interest rate for certain municipal tax liens, and (2) provide that certain attorney's fees (A) may not be received, claimed or collected until commencement of a foreclosure action or a suit on the debt, and (B) shall not be more than fifteen per cent of the amount of any judgment.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]